

Tax Exemptions, Credits, Deferrals, and Relief Checks

Baldwin residents may apply for several programs that either reduce their local property taxes or provide payments from the State of Maine. Mention these to you friends and neighbors who might not have internet access. Help them apply if needed.

Tax Stabilization Program for Senior Citizens, Title 36 MRSA Chapter 908-B (LD 290)

Eligibility:

- Must have established a “Homestead” eligible residency in the State of Maine for at least the past 10 years.
- Must be at least 65 years of age or older as of December 1, 2022
- Must apply annually to the town in which residency is established on or before December 1.

Benefit:

Applicants who apply for and qualify for the program on or before December 1, annually, will be eligible to have their property tax obligation stabilized (frozen) in the next fiscal year at the amount billed the previous year. (billed in 2022; stabilized for 2023)

In the event that the qualifying applicant’s tax bill increases, their tax bill will be stabilized (frozen) and the State Treasurer will reimburse the Town for the lost tax revenue resulting from the program.

Example 1: A retired individual has lived in Maine for 14 years and has owned a home and resided in it during that time. In October of 2022, this individual celebrates their 65th birthday, applies for, and qualifies to “stabilize” their tax bill. The tax bill for the tax year of July 1, 2022 through June 30, 2023 is \$4,224.63, which they are required to pay in full.

This individual’s tax bill for the next year (2023/2024 fiscal year) increases to \$5,224.63. Because she applied for and qualified for this program, she is responsible for the same dollar amount payment of \$4,224.63 and the State of Maine will pay the residual \$1,000.00 to the municipality around the middle of January 2024. The municipality is required to file for reimbursement with the State no later than November 1 each year.

Example 2: During the fall of 2023, this same individual moves to a new town in Maine, claiming residency at their new homestead eligible property. This individual again applies and qualifies for the Tax Stabilization Program in this new town. This new town has a lot more programs to offer and therefore the mil rate is much higher. In addition, our individual upgraded to a better quality home. The tax billing for this new home in a new town is 7,692.63.

Even though our qualifying applicant moved to a nicer town and into a nicer home, she will pay no more than \$4,224.63 in taxes in the tax year that begins

July 1, 2024 and ends June 30, 2025 and the State will pay the residual \$3,468.00.

Visit <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/stabilization-program> for the application form or the Cumberland County Assessing web site.

Additional Exemptions

The following are exemptions which reduce the calculated value of your property when determining your taxes. Applications are available on Cumberland County Assessing's website at <https://www.cumberlandcounty.org/555/Property-Tax-Relief> You are encouraged to apply for any that are applicable to you.

- 1. Homestead Exemption**
- 2. Veteran Exemption** – for Veterans and Veteran's Widows
- 3. Blind Exemption**
- 4. Solar and Wind Exemption**
- 5. Current Use Programs for Tree Growth, Farmland, and Open Space**

State Property Tax Deferral Program

This is a recently enacted State program to help people who are 65 and older or permanently disabled to age in place by paying for their property taxes. Details of the program are at <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program>. Applications are submitted to Cumberland County Assessing. The current 2022 application period is over. The 2023 Application form is not yet available. It will be posted to the above link on 1 January 2023.

This program is similar to a reverse mortgage so make sure it is what meets your needs.

Property Tax Fairness Credit returns a portion of property taxes paid to qualified individuals. There is also a **Sales Tax Fairness Credit** available. These credits are applied for by submitting Maine Income Tax Forms 1040ME and PTFC/SFTC. These credits can be received even if you didn't owe any Maine Income taxes for the year. You may also be eligible for credits for years in which you were eligible but didn't apply for the credits by filing an amended return up to three years after the normal filing deadline. Info on these programs are available at <https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/income-tax-credits/property-tax-fairness-credit>.
<https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/income-tax-credits/sales-tax-fairness-credit>.

COVID-19 Relief Checks - \$850.00

Maine is mailing these checks to an estimated 858,000 people. To be eligible you must file a 2021 Maine Individual income tax return by October 21, 2022. Details about eligibility can be found at <https://www.maine.gov/governor/mills/relief-checks>.

You may also be eligible for help from the **Home Energy Assistance Program**, zero-premium health insurance and other programs. Contact Baldwin's General Assistance coordinator for help with apply for these programs. <https://www.baldwinmaine.org/general-assistance.html>.